

COUNTY OF YORK

MEMORANDUM

DATE: November 24, 2004 (BOS Mtg. 12/7/04)

TO: York County Board of Supervisors

FROM: James O. McReynolds, County Administrator

SUBJECT: Application for exemption from real and personal property taxation pursuant to Code of Virginia §58.1-3651 – Angioma Alliance

Angioma Alliance is a Virginia nonprofit corporation based in York County. They do not own any real estate on which real property taxes could be assessed. Angioma Alliance has been assessed taxes of \$37.80 for the value of tangible personal property valued at \$945. The organization does not own the property on which this assessment is based; however, the Code of Virginia states that business tangible property is taxed to the business using it whether the property is owned, leased, borrowed, or otherwise made available to such business, unless the property is otherwise exempt.

Angioma Alliance, following the procedure outlined in Code of Virginia §58.1-3651, is requesting exemption from real and personal property taxation. Such exemptions may be granted by the Board of Supervisors pursuant to Code of Virginia §58.1-3651 for the “real or personal property taxes, or both, owned by a nonprofit organization that uses such property for religious, charitable, patriotic, historical, benevolent, cultural, or public park and playground purposes.” Further, “no exemption shall be provided to any organization that has any rule, regulation, policy, or practice that unlawfully discriminates on the basis of religious conviction, race, color, sex, or national origin.”

Code of Virginia §58.1-3651 (copy attached) further sets out the criteria that must be considered by the Board when adopting any such ordinance. I have repeated each of those criteria below, numbered consistently as set out in the state statute, and below each criteria, in italics, have set out the responsive information provided by Angioma Alliance. That information is provided in a letter dated October 20, 2004, from Cornelia Lee, Psy.D., Angioma Alliance President (copy attached).

1) Whether the organization is exempt from taxation pursuant to §501(c) of the Internal Revenue Code of 1954.

Angioma Alliance is exempt from federal taxation pursuant to 501(c)3 of the Internal Revenue Code of 1954. Our determination letter is attached.

2) Whether a current annual alcoholic beverage license for serving alcoholic beverages has been issued by the Virginia Alcoholic Beverage Control Board to such organization, for use on such property.

We don't have a an annual alcoholic beverage license..

- 3) Whether any director, officer, or employee of the organization is paid compensation in excess of a reasonable allowance for salaries or other compensation for personal services which such director, officer, or employee actually renders.**

We have no paid directors, officers, or employees. Volunteers are reimbursed for direct expenses only.

- 4) Whether any part of the net earnings of such organization inures to the benefit of any individual, and whether any significant portion of the service provided by such organization is generated by funds received from donations, contributions, or local, state or federal grants. As used in this subsection, donations shall include the providing of personal services or the contribution of in-kind or other material services.**

Our earnings do not inure to a particular individual. Our income is entirely from public donations and special events. In tax year 2003, our total income was \$10,278. We have been found to be in compliance with the Virginia charitable organization registration requirements (attached).

- 5) Whether the organization provides services for the common good of the public.**

We serve both the US and international population of those affected by cavernous angioma of the brain and spine. We are the only organization in the world that provides education and support to those affected by this particular illness.

- 6) Whether a substantial part of the activities of the organization involves carrying on propaganda, or otherwise attempting to influence legislation and whether the organization participates in, or intervenes in, any political campaign on behalf of any candidate for public office.**

We do not engage in activities that attempt to influence legislation. We do not participate in political campaigns.

- 7) The revenue impact to the locality and its taxpayers of exempting the property.**

Our tax bill for 2004 was \$37.80 and was based on property assessed at approximately \$945. We were assessed for a personal computer that the organization does not own, but is owned and used by a volunteer director. The organization itself did not own any tangible property in tax year 2003. In 2004, we have purchased \$1,523 worth of tangible property – an LCD projector, a credit card processing terminal, and a tabletop display for exhibits. We do not expect any other expenditure for capital equipment during this tax year. We do not own any real property at this time.

- 8) Any other criteria, facts and circumstances that the governing body deems pertinent to the adoption of such resolution.**

[None noted.]

In addition, Code of Virginia §58.1-3651 requires that the ordinance state the specific use on which the exemption is based, and continuance of the exemption shall be contingent on the continued use of the property in accordance with the purpose for which the organization is classified or designated. The classifications available are religious,

charitable, patriotic, historical, benevolent, cultural, or public park and playground. The classifications that Angioma Alliance seems to most closely fit are “charitable” and “benevolent.”

In the past, requests for exemption from real and personal property taxation required the Board to pass a resolution making a recommendation to the General Assembly who would in turn consider the request, and, if granted, would codify the exemption. Changes to the Code of Virginia have now passed the granting authority to the local governing body. The Code of Virginia includes the names of the organizations, together with the dates and section numbers of the adopted legislation for which the General Assembly granted real and personal property tax exemption prior to the change to the Code of Virginia. The list includes over 1,000 organizations. I have not included copies of those pages from the state code, but they may be found in any copy of the Virginia State Code as §58.1-3650.1 through 58.1-3650.1001.

Proposed Ordinance No. 04-28 has been prepared for the Board’s consideration. If adopted, this ordinance will grant exemption from real and personal property taxation to Angioma Alliance on the basis of use for charitable and benevolent purpose.

Please let me know if you have any questions.

White/3737

Attachments

- Code of Virginia §58.1-3651
- Letter from Cornelia Lee, Psy.D., MRA President dated October 20, 2004
- Proposed Ordinance No. 004-28